**Project Briefing - 1**

**Group Number: 4**

**System: Lawson (Supply chain/materials management)**

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**Project manager:** Ashwini Patki and Lee Farabaugh

1. **Accomplishments/ Progress to date:**

Gathering information of Materials management systems from various articles, Lawson’s website and searching for various materials management systems. Looking for articles on how systems like Lawson support various healthcare organizations. We have discovered that Lawson has a number of software solutions. We are planning to focus on the supply chain solution, because that is what UAB focuses on in a partnership with Cardinal Health.

About Lawson:  
 “With Lawson, you get enterprise resource planning (ERP) software solutions that focus on your industry to provide you the competitive advantage and flexibility you expect in best-practice business process automation.” (<http://www.lawson.com/wcw.nsf/pub/applications_index>) Lawson offers variety of solutions to manage businesses depending on the size and requirement of the business. Some of the major advantages of Lawson systems to manage businesses are as follows:

* Improve business process automation
* Improve overall workflow
* Promote business effectiveness and efficiency
* Flexibility of operations
* Manage security and user access
* Enable easy integration with existing services and emerging technologies

Lawson Business Process Management assists in administrative and operational system applications. It mainly supports IBM products. Lawson assures excellent performance and lower total cost of ownership (TCO). The system can be customized to individual needs of the business. Lawson system provides two different options to manage businesses:

A: Lawson M3 Business Process Management: This particular tool focuses on manufacturing and distribution related functions.

B: Lawson S3 Business Process Management: This particular tool focuses on service sector applications.

Supply Chain Planning

The Lawson M3 Supply Chain Planning application assists in manufacturing companies in planning and scheduling. “It increases ability to predict supply needs and improves material flow by managing planning, scheduling, procurement and fulfillment for optimum service levels and maximum profitability” (Ref: <http://www.lawson.com/wcw.nsf/pub/scm>)

This application by Lawson optimizes the use of company resources, reduces operational costs, frees up capital tied up in inventory, and improves material flow through the organization. In short it offers time and cost efficiency, and just in time delivery to the organizations. The application assists managers in strategic decision making and operational control.

Lawson M3 Supply Chain Planning features following components:

* Stepwise Decision-Making Process
* Yield Optimizer
* Distribution Requirements Planning
* Demand Planner
* Forecasting
* Supply Chain Planner
* Supply Chain Orders
* Master Production Scheduling
* Multi-Site Planner
* Material Planning
* MSP Viewer
* Rough-Cut Capacity Planning
* Assortment Replenishment Planner
* Advanced Production Planner
* Planning Workbench for Fashion
* Planning Workbench for the Food & Beverage Industry

Healthcare Supply Chain Information:

Hospitals want to optimize their supply chains for a variety of reasons:

* stocking pharmaceuticals and supplies tie up a lot of capital
* labor costs to maintain materials supplies are significant
* availability and timely delivery is important
* supplies need to be tracked for billing
* patient safety depends on right medication to right person at right time

Aspects of supply chain management

* pharmacy
* OR
* materials

Technologies currently in use:

* bar code scanning
* automatic dispensing machines (ADMs) that can be monitored remotely, with a picture taken every night and a PO created from that picture
* GS1 System – a standard of global and unique identification of products and locations as well as continuous, automatic updates of standardized product information across all supply chain partners. It involves applying data standards to patients, processes, and products to eliminate errors, cases of unavailability, and improve service level quality and efficiency.

Supply chain is part of a larger Enterprise Resource Management program, which includes accounting, supply chain, and human resources. As such, Lawson is an ERP vendor.

Some more Benefits of Lawson Supply Chain Management suite:

* reduced process and supply costs through centralized purchasing
* lower inventory costs
* reducing steps in the procurement process
* improving decision making with metrics

Case Study: Phoenix House  
In the case study of the Phoenix House, a substance abuse treatment center for adults and adolescents, the facility used Lawson’s Materials Management and Financial solution software to improve the efficient and reliability of their materials management processes. Lawson was able to help Phoenix House:

* Create online requisitions
* Electronically route requisition approval
* Track activity from requisition to purchase order or warehouse demand
* Provide three-way match among purchase order, receipt, and invoice
* Generate inventory replenishment reports to notify warehouses to provide “just-in-time” inventory

The implementation of these changes in the processes allowed for employees of Phoenix House to do the above functions in less time and with a significant decrease in paperwork. The Lawson financial solution software has also been vital to improving the financial reporting of the Phoenix House. Since Phoenix House is a non-profit organization they must abide by much more complex financial reporting requirements than for-profit organizations. Lawson was able to do this by:

* Allowing accounts to generate and write their own reports, thus saving time and eliminating miscommunication between accounts and MIS.
* Making information more accessible. A user can be in the general ledger and use the software to easily access information in Accounts Payable in order to look at invoices and payment dates

1. **Issues encountered and proposed resolutions:** We are unable to find much information about Lawson on their website. It seems to us that their website is mainly designed to offer a quick look of their products. We may have to use the information about such systems from various scholarly articles and research papers to explain how these systems work for healthcare. We are in process to contact sales rep. or customer rep. to access more information and case studies about Lawson products and specifically billing/business management. We are reviewing various Lawson case studies available on internet. We have also found some information on Catholic health Initiative and how Lawson is used at Phoenix Health. Meeting with UAB personnel to find out more about this would be more helpful. We feel that on-site visit with end users at UAB would be very helpful.

Meeting with UAB personnel to find out more about Lawson would be very helpful to further understand its use at UAB.

1. **Contribution(s) of each group member:** So far everyone is reading various articles and information available on internet about Lawson. In next week we plan to host another Webex meeting for our group to discuss how we are going to proceed with the project outline and each one will have more defined set of responsibilities, either individually or in sub-groups.
2. **Questions** **for which you cannot/have not find an answer:**
   1. What kind of system architecture does Lawson use?
   2. How does Lawson interface with other systems?
   3. Is Lawson the leader in this space?
   4. How interrelated are the various ERP products that Lawson sells?
   5. What does the interface look like?
   6. Who primarily uses this system in the facility? How does the role differ for someone in accounts, contracts, and a clinical user?
   7. How does this system help UAB ? Which applications are used?
   8. What is the cost benefit this system has brought to UAB?
   9. How UAB handled the supply chain previous to Lawson? When did the change occur?

So far we have encountered various advantages of Lawson products and have found many articles and documents to read about Lawson supply chain management applications.

1. **Any risks to your group project deliverable:** One of our team members, Tom McLaughlin, so far has not been in good touch with us. In the beginning he experienced some technical difficulties to start the group discussion thread but so far his input in the group project has not been satisfying to other group members. At this point we are little nervous about this as the project is due in less than 3 weeks. Also we have less time after our residential visit to submit and present the project. We wish we had more time between those two events.
2. **General Comments/Connections** you’ve made between this course and either HI 601, HI 640 or HI 600: We can relate this project to previous courses in this program from various angles such as data maintenance, integration, data collection, business process redesign, user interface, cost and benefits of new systems and more. We see a lot of overlap between this system and the business process redesign topics we covered in HI-640, such as Lean, Six Sigma, etc. We are also seeing that a Lawson implementation is larger than the software itself, and involves some culture change, standardization of practices and coding, and workflow changes to accommodate the system. It’s not unlike CPOE in this way.